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September 8, 2006

## **AGENDA ITEM 11**

**TO: MEMBERS OF THE FINANCE COMMITTEE**

- I. SUBJECT:** Year-End Budget and Expenditure Report for Fiscal Year (FY) 2005-06.
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** We recommend the Board of Administration approve the transmittal letter and submission of the Year-End Budget and Expenditure Report for FY 2005-06 to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2005, and to the Legislative Analyst's Office, State and Consumer Services Agency, and the Office of the Legislative Counsel.
- We recommend the Board of Administration approve the adjustment of FY 2005-06 fund appropriation levels in accordance with final cost allocation results and approve the transmittal of the information to the State Controller's Office.
- IV. ANALYSIS:**

The information contained in this agenda item will be submitted to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with control language included in the Budget Act of 2005, Item 1900-015-0830 (2). Copies of this agenda item will also be transmitted to the Legislative Analyst's Office, State and Consumer Services Agency and the Office of the Legislative Counsel. The submittal of this item will take place upon approval of this agenda item by the

Members of the Finance Committee

September 8, 2006

Finance Committee and the Board of Administration. A draft transmittal letter is attached for your review and approval.

As part of the year-end closing process, CalPERS staff performs a final cost allocation process to ensure each fund pays its share of administrative expenses. The results of the FY 2005-06 year-end cost allocation process requires a \$500,000 increase in Reimbursement authority. This will be offset by a reduction of \$500,000 to the Public Employees' Retirement Fund (PERF). This information will be submitted to the State Controller's Office upon approval of this agenda item by the Finance Committee and the Board of Administration.

The attached report includes the following items for the year-end of FY 2005-06:

- Budget and Expenditure Summary by Function and Division
- Summary Charts by Function
- Position Summary
- Projected and Actual Investment Expenditures
- Directed Brokerage Commissions and Expenditures
- CalPERS Headquarters Building Account Budget/Income/Expenditure Summary
- CalPERS Recommended Final Budget Fund Summary

**V. STRATEGIC PLAN:**

This item is not a specific product of the Strategic Plan. It is brought to the Finance Committee and the Board of Administration because it provides important information to members and it fulfills the requirements of control language included in the Budget Act of 2005.

**VI. RESULTS/COSTS:**

CalPERS fulfills the requirements of control language included in the Budget Act of 2005.

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Russell G. Fong, Chief  
Fiscal Services Division

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John Hiber  
Assistant Executive Officer  
Administrative Services Branch

Attachment